

## Attachment: Goal 1 Template

### Guidance on Performance & Financial Soundness Goals and Measures

There are three types of goals:

- Financial & Managerial Soundness goals (standard for all non-regulated awardees)
- Impact goals (customized based on the award)
- TA goals (required for those receiving TA awards)

Goals should be standardized as much as possible. Variations from the standards should be accompanied by a written justification by the Awardee/and or analyst.

<b>Goal 1 NON-REGULATED ONLY</b>	Ensure the Awardee is financially and managerially sound.		
Measure 1, Net Revenue	Maintain positive annual net revenue as of the last day of the Awardee's most recently completed fiscal year, as measured in the annual audited financial statements*.		
Measure 1 alternate	Maintain positive annual net revenue as an average of the last day of each of the Awardee's most recent fiscal year, plus the two previous fiscal years, as measured in its annual audited financial statements <sup>1</sup> for those years.		
	FY 03	FY04	FY05
Satisfactory	Annual net revenue > \$0	Annual net revenue > \$0	Annual net revenue > \$0
Unacceptable	Annual net revenue ≤ \$0	Annual net revenue ≤ \$0	Annual net revenue ≤ \$0
Actual Performance (\$)	Report actual performance here	Report actual performance here	Report actual performance here

Measure 2, Net Assets	The Awardee shall at all times maintain net assets in an amount equal to or exceeding <span style="background-color: #00FF00;">  </span> % of the Awardee's total assets.		
	<i>Note: this ratio should be set considering the Awardee's asset and liability composition. For most loan funds, it should be between 15 and 25%. For venture capital funds, a ratio of 50% is appropriate.</i>		
	FY 03	FY04	FY05
Satisfactory	Net assets ≥ <u>  </u> %	Net assets ≥ <u>  </u> %	Net assets ≥ <u>  </u> %
Unacceptable	Net assets < <u>  </u> %	Net assets < <u>  </u> %	Net assets < <u>  </u> %
Actual Performance (\$)	Report actual performance here	Report actual performance here	Report actual performance here
Measure 3, Operating Liquidity	The Awardee shall at all times maintain cash and cash equivalents and marketable securities available for operations in an amount equal to or exceeding 25% of its total operating expenses for the four most recently completed quarters. Funds restricted in such a manner so as to prevent their being used to satisfy obligations represented by operating expenses may not be used to satisfy the requirements of this measure.		
	FY 03	FY04	FY05
Satisfactory	Cash avail for operations ≥ <u>  </u> %	Cash avail for operations ≥ <u>  </u> %	Cash avail for operations ≥ <u>  </u> %
Unacceptable	< <u>  </u> %	< <u>  </u> %	< <u>  </u> %
Actual Performance (\$)	Report actual performance here	Report actual performance here	Report actual performance here
Measure 4, Capital Liquidity	The Awardee shall at all times maintain cash and cash equivalents, and marketable securities, plus 25% of current loans receivable, available for purposes of meeting the Awardee's current liabilities in an amount at least equal to current liabilities. Funds restricted in such a manner so as to prevent their being used to satisfy obligations represented by current liabilities may not be used to satisfy this measure.		
Measure 4 alternate	The Awardee shall at all times maintain a ratio of current assets to current liabilities of at least 1.25.		
	FY 03	FY04	FY05
Satisfactory	Ratio ≥ <u>1.25</u>	Ratio ≥ <u>1.25</u>	Ratio ≥ <u>1.25</u>
Unacceptable	< <u>1.25</u>	< <u>1.25</u>	< <u>1.25</u>
Actual Performance (\$)	Report actual performance here	Report actual performance here	Report actual performance here

\* If audited financial statements are not available by the annual report due date the Awardee may calculate its annual net revenue based on its internal financial statements. If the audited financial statements subsequently indicate negative annual net revenue, the Awardee will so inform the Fund and respond to the questions listed in the Assistance Agreement.

Measure 5: Portfolio Quality (lenders)	Ensure the Awardee has satisfactory loan portfolio quality.		
	Maintain Total Portfolio-at-Risk of less than <span style="background-color: yellow;">  </span> % as of the last day of each of the Awardee's fiscal years, as calculated from the Awardee's annual audited financial statements*. Total Portfolio-at-Risk is defined as the aggregate dollar amount of all loans outstanding held in the Awardee's portfolio that have payments more than 90 days past due divided by the aggregate dollar amount of loans outstanding held in the Awardee's portfolio. Loans outstanding shall equal the aggregate dollar amount of gross loans receivable (without giving effect to any allowance for the collectability thereof).		
Measure 5 alternate (venture capital)	At least 50% of the Awardee's portfolio companies in the Awardee's portfolio for at least 12 months have not decreased in valuation over the last day of the Awardee's previous fiscal year, as of the last day of the performance period.		
	FY 03	FY04	FY05
Satisfactory	<span style="background-color: gray;">  </span> %	<span style="background-color: gray;">  </span> %	<span style="background-color: gray;">  </span> %
Unacceptable	> %	> %	> %
Actual Performance (\$)	Report actual performance here	Report actual performance here	Report actual performance here

<b>Goal 1 REGULATED ONLY</b>	Ensure that the Awardee maintains its status as a viable financial institution.		
Goal 1, Measure 1	The Awardee shall have at the end of each of its fiscal years a composite CAMEL 1, 2 or 3 rating as determined by the Awardee's Appropriate Federal Banking Agency.		
Benchmark Year	FY 03	FY 04	FY 05
Satisfactory Composite CAMEL Rating Benchmark	3 or better	3 or better	3 or better
Unacceptable	4 or 5	4 or 5	4 or 5
Actual Composite CAMEL Rating As Of The Last Day of The Benchmark Year	Report actual performance here	Report actual performance here	Report actual performance here